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NEWSPAPER

Automotive

JULY 6, 1992

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late news

Lovejoy named to parts job

William Lovejoy, ousted last month as president of General Motors Acceptance Corp., was appointed general manager of GM's Service Parts Operations.

Lovejoy replaces John Rines, the executive who took over the GMAC presidency when Lovejoy was removed because of a $436 million loss connected with dealer John McNamara's alleged vehicle export scam.

Lovejoy was tapped for the job by J. Michael Losh, GM vice president and group executive in charge of North American vehicle sales and marketing. Lovejoy will report to Losh.

Service Parts Operations, headquartered in Flint, Mich., markets replacement parts worldwide through its AC-Delco, GM Parts and International sales activities. AC-Delco serves the independent aftermarket, while GM Parts serves GM dealers.

— Phil Frame

Nissan tags Quest: $17,545

CARSON, Calif. — The new Nissan Quest minivan goes on sale today in two versions: the $17,545 XE model and the $21,450 GXE.

Nissan Motor Corp. in U.S.A. said Thursday that three option packages will be offered on the XE: a $450

see LATE NEWS, 2

Analysts bullish on '93 sales

Predictions range up to 15 million

CHARLES M. THOMAS
Staff Reporter

Auto analysts predict a healthy rebound in new-car and light-truck sales next year with estimates wedged between 14.2 million and 15.0 million vehicles. Pent-up demand by consumers whose vehicles are creaking with age is expected to bolster sales.

The analysts' 1993 forecasts compare with their revised estimates of 13.0 million to 13.5 million sales this year.

"There is a six-year trading cycle," said Ron Glantz, analyst with New York-based Dean Witter Reynolds. "Consumers are faced with the choice of putting $1,000 into their old cars or buying new ones because they have to get to work."

Most people are employed, and their net worth has improved since they last purchased a vehicle, he said. But their cars have a lot of wear and tear.

Showroom traffic has exploded since mid-May, up 10 percent over last year, an indicator that consumers are shopping. There is a four- to six-week lag between looking and buying, according to Glantz.

George Magliano, analyst with WEFA Inc. in Pennsylvania, agrees. His prediction for next year is 14.5 million vehicles.

"The recovery is sluggish but momentum is building," he said. "1993 is the payback year."

For the most part, analysts have downgraded their 1992 sales predictions or altered the sales mix between cars and trucks. Truck sales have been surprisingly

see FORECAST, 36

JOE WILSSENS/AUTOMOTIVE NEWS

Signed, sealed, delivered

Chrysler Corp. Chairman Lee Iacocca autographed the first production LH sedan, an Eagle Vision, after it came off the Bramalea assembly line last week. Brampton, Ontario, Mayor Peter Robertson was Iacocca's first customer, taking delivery of a maroon Intrepid. See story on Page 3.

NHTSA juggles rollover arguments

MAX GATES
Staff Reporter

WASHINGTON — As they move toward a December 1992 deadline for creating a plan to save some of the 10,000 lives lost each year in rollover accidents, federal safety officials are hearing two opposite arguments.

Fix the cars, say consumer and safety advocates.

Fix the drivers, say automakers.

The car and the driver share the blame for rollover deaths, say engineers at the National Highway Traffic Safety Administration, who are under orders from Congress to take action. The issue now ranks at the top of the agency's agenda, and NHTSA has proposed a three-pronged attack aimed at:

- Educating drivers about the risks of rollover.
- Making all vehicles — not just sport-utilities — less likely to roll over.
- Protecting occupants better when a rollover occurs.

"There is no magic bullet. It will take a lot of little bites," said Barry Felrice, head of rulemaking for NHTSA.

Few dispute the seriousness of rollovers. They are relatively rare — just 137,000 out of 6.5 million reported accidents a year. But they are deadly, killing about 10,000 annually. Only frontal collisions claim more lives.

The issue has smoldered since the late 1970s, following reports of high rollover death rates in the Jeep CJ-5, a popular sport-utility. Since then, bad publicity about rollovers has nearly killed the Suzuki Samurai and crippled Ameri-

see ROLLOVER, 37

Suzuki Samurai sales were badly hurt by charges it rolled over easily.

The pull of China

Market offers promise — but only for long-term

RICHARD JOHNSON
Staff Reporter

BEIJING — At the Detroit or Frankfurt auto shows, it might have been an auto exec's dream: demand for product brochures so intense that police had to quell the occasional mini-riot when the pamphlets were placed on display.

Or crowds around one car — the Dodge Viper — so dense that its red finish fogged up in the artificial atmosphere of radiated body heat.

In the West, after all, such manifest enthusiasm typically translates into hard sales.

But this is Auto China '92, the biennial national show that Beijing shares with Shanghai, and even the wildest enthusiasm translates into little more than long-range promise.

Despite rapid gains in consumer spending power, few Chinese can afford a car, and government units and worker co-ops still account for 99 percent of all vehicle sales here.

Still, for the executives from the half dozen or so Western and Japanese automakers who exhibited here last month, the promise is more than enough for now.

"We are very optimistic about the Chinese market," said Jerry Wang, vice president of General Motors Asia, which showed the Lumina APV minivan, a full-sized sport van and various Cadillac and Buick models here.

About 600 exhibitors, including more than 120 from overseas, attended the show, which ran from June 25 through June 30. Ford Motor Co., which has no China project, was the only no-show from the Big 3.

Japanese carmakers were out in force, but

see CHINA, 33

RICHARD JOHNSON

Crowds at the Beijing auto show vied for a glimpse of a Dodge Viper on display.

Mazda courts women buyers

KRISTINE STIVEN BREESE
Staff Reporter

LOS ANGELES — For much of the auto industry, the female consumer is an enigma. But for Mazda Motor of America Inc., she is a gold mine.

For the last two years, Mazda has made women a key part of its marketing strategy, and its efforts are bearing fruit. With a combination of media buys, innovative promotions and high-profile-event sponsorships, Mazda has increased its percentage of female buyers from 45.0 percent in 1989 to 52.3 percent in 1992 so far.

As Mazda has moved its line upscale, it has attracted women — and their affluent male peers — by talking to them with intelligence rather than insulting them with gimmicks.

"Over 50 percent of the cars bought today are bought by women, and these women are making more money all the time. You hear that thrown around a lot, but nobody's really doing anything about it," said Jan Thompson, vice president of marketing at Mazda and one of the highest-ranking women in the auto industry.

"The auto industry is not just behind, it's backward," she said. "Nobody knows how to

see MAZDA, 37

Automotive News

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Post-fraud changes ripple through finance arm. PAGE 4

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Michael Grimaldi assumes a top financial post. PAGE 4

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$749.4 million write-off could eat up GM profits. PAGE 4

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correction

The imported car sales table on Page 16 of the June 15 issue mistakenly listed May 1991 sales for

HANS G. LEHMANN/HIDDEN IMAGE

Thunderbird flies with new look

Ford has been testing prototypes of the 1994 or 1995 Thunderbird in the heat. This spy shot shows a more rounded front bumper with larger air ducts and a new grille opening.

latenews

CONTINUED *from* PAGE 1

convenience option, a $665 power option and a $1,355 performance option. The GXE offers a $930 extra performance package, a $945 luxury package and a $1,000 leather package.

Extra options include four-wheel anti-lock brakes.

The Quest has been developed and built with Ford Motor Co. Ford's version, the Mercury Villager, sells for $18,011 and $19,053 in the GS series. Prices for the Villager LS are $22,143 and $23,546.

Audi holds line on 90 prices

AUBURN HILLS, Mich. — Audi of America Inc. is introducing its 1993 90 sedan with a sticker price of $25,850.

The 90 series — S, CS and CS Quattro Sport — officially go on sale today. The 1993 90 S with automatic transmission is priced at $26,650, the same price as a comparable 1991 model. The company did not offer a 90 for 1992. The five-speed 90 CS is $28,700 and the 90 CS Quattro Sport is $32,250.

Strike ends at VW Mexico

MEXICO CITY — Sixteen thousand workers at Volkswagen Mexico's plant in Puebla ended a two-day strike Thursday after accepting a 15 percent wage increase.

The workers had sought a 35 percent increase, while the company offered 12 percent. The deal also includes a 2 percent rise in fringe benefits and a 5 percent wage bonus tied to productivity.

The strike threatened the launch of the new Golf and Jetta, which went on sale in Mexico last month. U.S. exports begin this fall.

— James Blears

New bosses at Mazda r&d

IRVINE, Calif. — The project manager for Mazda's new 626 and MX-6, Yutaka Hirose, has been named president of Mazda Research and Development of North who has moved back to Japan as general manager of Mazda Motor Corp.'s information systems division.

Mazda's top U.S. designer, Tom Matano, was promoted to executive vice-president for design and special projects at the company.

Chrysler ads tout safety firsts

HIGHLAND PARK, Mich. — Chrysler Corp. touts its history as an innovator of car safety features in an ad campaign that broke on cable TV July 2 and on the networks today.

The 60- and 30-second spots point out that Chrysler pioneered many safety "firsts" in its vehicles such as the padded dash, and that Chrysler was the first to install airbags in its entire car line and to offer dual airbags and built-in child seats.

Chrysler plans 38 network and 24 cable TV airings for the ads in July.

— Arlena Sawyers

Bad studs spur big-truck recall

BELLEVUE, Wash. — Paccar Inc. is recalling about 600 Peterbilt and 250 Kenworth Class 8 trucks because of potentially defective wheel studs.

A company spokesman said the wheel studs were not properly heat treated, resulting in brittleness and possible susceptibility to breakage.

Reickert heads New Venture

TROY, Mich. — Erick Reickert has been named interim president and chief executive officer of New Venture Gear Inc., the driveline joint venture between General Motors and Chrysler Corp.

A New Venture board member since May 1990, Reickert, 56, remains vice president of powertrain operations for Chrysler Corp. until his retirement from Chrysler, scheduled for Dec. 31.

Ford, Chrysler cut interest

reduced interest rates charged to Ford and Lincoln-Mercury dealers on retail and lease financing by 0.5 percentage points in response to the Federal Reserve Board lowering its discount rate.

Retail and lease rates charged by Ford Motor Credit to dealers varies by region. A spokesman declined to disclose the current rate to dealers, saying the rates are competitive with banks and other lenders.

A Chrysler Credit Corp. spokesman said Chrysler Credit will lower its rates to dealers by 0.5 points at mid-month.

— Charles M. Thomas

Ford introduces electric van

BISMARK, N.D. — Ford Motor Co. introduced its electric Ecostar van to journalists at a convention of outdoor writers last week.

Spokesman Mike Parris said that within six months, 87 Ecostars will be delivered to power companies in 10 cities. Each 30-month lease will cost about $100,000.

Powered by a sodium-sulfur battery pack, the Ecostar panel truck is built on a European Escort platform by the A.J. Carron Co. of Detroit.

It uses an AC motor, has a range of 100 miles, accelerates to 60 mph in 12 seconds, and has a payload of 800 pounds.

The Ecostar's recharge time is 5 to 6 hours on household current.

— Tom Huggler

Firm patents battery

SEATTLE — A two-year-old high-technology company announced last week that it has patented a battery based on a spinning flywheel instead of a chemical reaction.

American Flywheel Systems of Seattle said its battery will have several times as much energy per pound as the advanced lead-acid batteries the General Motors electric car will use, giving it a daily range of 600 miles instead of about 120 miles.

President Edward Furia said the company is seeking investors.

Furia hopes to build the first demonstration unit by next summer and offer the device to manufacturers for

briefly

It's a roadster for BMW/U.S.

BMW AG officials have been coy about the first BMW to be built in America. But here's the car: It's a roadster. At least, that's what supplier sources say. BMW officials say they want a car that appeals to Americans so they can sell about half of the annual plant production of 60,000 vehicles in the United States. That's a lot of roadsters. (**Mazda** sold 31,240 Miatas last year.) In any case, the car will use the 3-series platform. Job No. 1 at the planned BMW plant in Greer, S.C., will be in August or September 1995.

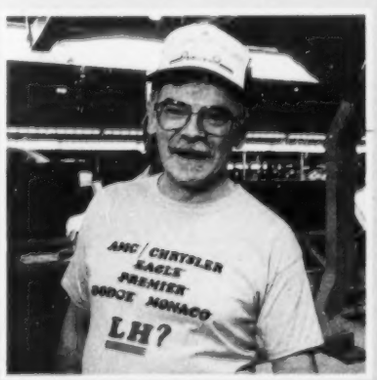
TIP ON PRICES — Chevrolet General Manager Jim Perkins gave the Texas Automobile Dealers Association a clue on 1993 pricing. "It makes no sense to continually raise prices and add incentives to try to cover" the increase, he said. "I think using restraint would probably make more sense."

GM SUPPLIER TIPS — Mobil Oil AG has copped its second straight "Supplier of the Year" award in Europe. **General Motors** parts czar J. Ignacio Lopez de Arriortua, who flew to Spain to present the award, praised "Mobil's creativity and the spirit of continued innovation," adding, "This is the way to win in a year of great challenges."

THE AD WORKS — Maybe **Ford** should build a concept car called the "Lately." Ward Huntington of New Salem, Mass., wrote to *Ford Times* about a conversation with his 7-year-old grandson, Justin. On seeing Huntington's Ford Tempo, Justin asked: "Is this a Ford Lately?" As in, "Have you driven a . . . "

FOR CAR GALS — Suzuki Motor Co. will team up with Seiyu Ltd., a major supermarket chain, to develop stores and services for women. A potential chain of 50 dealers will begin with one shop in central Japan featuring current Suzuki cars and clothing and food from Seiyu. It will include an information service, catalog shopping and ticket sales. If it succeeds, the two could do a car together. About four years ago, Seiyu got into the auto business to market a **Mitsubishi** minicar. It was called the "Lettuce."

TEMBLOR TIPS — Know someone who'll be driving in California? You might pass on these earthquake driving tips from the Automobile Club of Southern California. A quake feels like four flat tires when you're driving. Slow down and pull over, but not near an overpass, bridge, tree or building. Stay in the car until it's over, and remember that aftershocks will follow. Tune your radio to the news. Cooperate with cops.



JOE WILSSENS/AUTOMOTIVE NEWS

LH leery

Chrysler is optimistic about its LH cars, but a cautionary T-shirt did show up on

Saturn leaps into Power CSI list

Lexus and Infiniti remain at tip-top of quality tally

ARLENA SAWYERS
Staff Reporter

In its first year of eligibility, Saturn Corp. was named the third best nameplate and the best domestic in customer satisfaction in the J.D. Power and Associates Customer Satisfaction Index, a survey that is usually dominated by luxury and import car lines.

It is the highest ranking for any domestic automaker since Power began publishing the index six years ago.

First and second place went to Lexus and Infiniti, respectively. Acura finished fourth. The report also was favorable for Jaguar Cars Inc., which pushed its way into the top 10 makes.

The annual survey evaluates customer satisfaction among car and truck owners after one year of ownership. About 34,000 vehicle owners participated in the survey of 1991 models.

The scores are derived from consumer responses to questions about vehicle repair and reliability and how consumers were treated at the dealership.

Analysts attribute some of Saturn's high ranking to its success at turning potential problems into public relations coups.

Last year, Saturn received much favorable publicity when it replaced 1,836 cars that had been filled with bad engine coolant.

Texaco Refining and Marketing Inc. which supplied the coolant, picked up some of the cost, but "Saturn got the good press," said William Vanderbok, president of Market Perceptions and Solutions, an auto consumer research firm in Woodland Hills, Calif. "It was the best thing that could have happened to Saturn."

Adds Jeremy Anwyl, president of Marketec Systems, an automotive marketing and consulting firm in Santa Ana, Calif.: "How you deal with a problem is more important than the problem itself."

But more importantly, said Anwyl, is that Saturn and the three other top car lines are what he calls "clean sheet of paper" stores.

As newcomers, they started with a clean slate and hand-picked dealers and staffs who were willing to take a risk on what was then a new philosophy: Customers want good service.

"Saturn is a capable car, but not a superior car," he said. "When you look at the key differentiator, it's the purchase and ownership experience."

Older car lines, on the other hand, are still trying to shake the outdated sales and service methods of the 1970s and 1980s, said Susan Jacobs, president of Jacobs Automotive Inc., an automotive forecasting and consulting firm in Little Falls, N.J.

"The psychology of Lexus, Saturn and Infiniti stands for putting the customer first," said

see SURVEY, 36

1992 BRAND CSI

	'92	'91	'90	'89
Lexus	179	170	—	—
Infiniti	167	170	—	—
Saturn	160	—	—	—
Acura	148	146	154	147
Mercedes-Benz	145	147	148	138
Toyota	144	144	144	134
Audi	139	140	127	121
Cadillac	138	139	142	131
Honda	138	146	140	137
Jaguar	137	BA*	BA*	BA*
Oldsmobile	133	128	121	BA*
Saab	133	121	BA*	BA*
Mitsubishi	132	120	124	112
Nissan	132	128	135	128
Volvo	132	124	126	121
Buick	131	137	130	123
Porsche	131	105	129	118
BMW	130	132	127	125

* Below average
Source: J.D. Power and Associates Customer Satisfaction Index.
Note: J.D. Power does not release scores below average. According to USA Today, nameplates with the 10 lowest scores, beginning at the bottom, were: Hyundai, Suzuki, Volkswagen, Isuzu, Alfa Romeo, Geo, Daihatsu, Chevrolet, Eagle and Chrysler.

JOE WILSSENS/AUTOMOTIVE NEWS
Chrysler set off fireworks when the first LH cars rolled off the line.

Chrysler downplays fleets for first LHs

ROGER ROWAND
Staff Reporter

BRAMPTON, Ontario — Chrysler Corp. will put most of the early production of its new line of mid-sized LH sedans in dealer inventory to accommodate strong retail demand, according to Chairman Lee Iacocca.

Chrysler intends to ignore conventional wisdom that has prompted automakers to flood daily rental fleets with early output to increase consumer visibility.

Chrysler plans to deprive the daily retail fleets — even the ones it owns — of the 1993 Chrysler Concorde, Dodge Intrepid and Eagle Vision LH cars.

At the ceremonial rolloff of the first LH sedan last week, Iacocca said dealers are clamoring for the cars and retail demand is so great that fleet business will come second. The cars are slated to officially go on sale Nov. 1.

"We can't ignore it completely," he said. "We own a couple of daily rental companies ourselves, and we'd like to get the cars out in the big resort areas like Los Angeles and Florida. We've allocated a very small portion to fleets; they're getting a modest few."

During the festivities for the first

see 1ST CAR, 36

Chrysler seeks new dealer attitude for LH

ARLENA SAWYERS
Staff Reporter

Chrysler Corp. wants its dealers and their staffs to develop a new attitude to go along with their new line of mid-sized sedans.

The LH triplets — Chrysler Concorde, Eagle Vision and Dodge Intrepid — are built on Chrysler's first new platform in 10 years. The cars are scheduled to go on sale in November.

Last week, Chrysler launched Customer One, a $30 million corporate training process to school 5,000 dealers and their staffs — about 100,000 persons in all — in the art of customer service and satisfaction.

The goal is to change the attitude of dealership employees toward their jobs and customers.

Customers are not one-time conquests, but lifelong partners who should be treated with respect, said Theodor Cunningham, Chrysler executive vice president of sales and marketing.

"Dealers are ready to focus on change," Cunningham said. "We have the opportunity to introduce brand new customers to a brand new car. We have to work hand-in-hand with dealers."

As an extra incentive for dealers, Chrysler on April 1 began basing dealers' cash incentives on customer satisfaction ratings and performance against monthly sales objectives. The largest rebates will be given to dealers with the highest scores.

Dealers will not be eligible for any awards unless their staffs complete Customer One.

Chrysler is charging dealers $50 per person for the program, which means that about $5 million of the $30 million cost of Customer One will come from the dealers.

Chrysler One's chief trainer is Luis Martinez, vice president and group account supervisor at Ross Roy Communications in Bloomfield Hills, Mich. Martinez played a similar role at Infiniti Division before joining Chrysler's team.

Cunningham said the training focuses on self-discovery and role playing, but he declined to disclose specifics.

The training includes every employee from cashiers to service technicians to the dealer principals. Additionally, 200 Chrysler corporate executives will be trained alongside dealers.

The first phase of the program began June 29 and continues through August. By the end of the meetings, about 100,000 dealership employees and dealers will have attended sessions at 132 sites nationwide.

Phase one focuses on understanding and meeting the needs of the customer.

Dealership employees will attend sessions geared to their jobs.

Dealers and managers will attend two-day sessions, and salespersons, service advisers and parts counter teams will attend separate two-day sessions.

Support staff who have direct contact with consumers such as cashiers, receptionists, telephone operators and greeters will attend one-day sessions.

Service technicians and clerical staff will attend half-day, in-dealership sessions.

Phase two begins in early fall to coincide with the LH introduction. Chrysler will conduct one-day sessions to familiarize dealership personnel with the LH cars with special emphasis on customer satisfaction and treatment.

Phase three is a continuing process in which Chrysler will monitor dealership personnel and provide follow-up training.

Cunningham said it became apparent that Chrysler had to make some changes when it began consumer research for the LH cars about 18 months ago.

Chrysler expects the LH cars to attract consumers who have never considered a Chrysler product and others who will return to Chrysler to give the company another chance. Those two groups of consumers have higher expectations of customer service than Chrysler's current customer base, Cunningham said.

To develop Customer One, Chrysler studied automotive and non-automotive companies with reputations for good customer service.

Among the companies studied were Ritz-Carlton Hotels, Walt Disney Co. and Infiniti.

DEUTSCH TREAT

S.C. BMW dealer expects windfall from U.S. plant

LINDSAY CHAPPELL
Staff Reporter

GREENVILLE, S.C.

The lone BMW dealer in upstate South Carolina is ready to unleash a new marketing campaign.

Expect the ads to read: "Support your local economy. Buy a BMW."

Strange words for pitching a European import. But Mickey Joy, president of Century BMW here, says the market is ready for them.

BMW AG's announcement June 23 that it will build a $300 million factory promises to put 2,000 people to work building luxury cars seven miles from Joy's dealership. He believes the news will give hesitant import-car buyers a push before the first steel beam goes up.

"There are people out there who want to buy $70,000 cars right now," Joy says. "I know there are. I've talked to them. But with the recession and all the awareness of unemployment and the condition of the economy, they don't want to appear ostentatious.

"Now it's OK to go out and buy an expensive car again," he says. "Think of all the advertising we'll be able to generate. You can buy a BMW and help support the American economy."

When BMW's news broke two weeks ago, Joy and his advertising agency were already working on a long-term marketing campaign to trumpet the expected news. His advertising probably will carry a factory tie-in permanently now.

The campaign will target BMW's import competitors, including Lexus Division of Toyota Motor Sales U.S.A. Inc. and Infiniti Division of Nissan Motor Corp. in

see BMW, 35

BART BOATWRIGHT
It's OK to buy an expensive car again, says Mickey Joy, a Greenville, S.C., BMW dealer.

in brief

SERVICE

Nissan publishes flat-rate manual

CARSON, Calif. — Nissan Motor Corp. in U.S.A. is offering its dealers a flat-rate manual covering more than 300 of the most commonly sold services for the past 10 model years.

The guide's pricing information includes parts and labor, taxes and miscellaneous charges. Dealers in Nissan's South Central region received the data in May. The regional rollout is expected to be completed in August.

Ford recalls 44,000 Probes

DEARBORN, Mich. — Ford Motor Co. has recalled about 44,000 of its 1990 and 1991 Probes sold in the United States and Canada to replace the throttle position sensor.

Ford said premature wear of the sensor may cause the cars to exceed U.S. or Canadian carbon monoxide emissions standards.

ASE to offer parts tests

HERNDON, Va. — The National Institute for Automotive Service Excellence will offer certification tests for auto parts and medium/heavy-truck parts specialists.

The first truck parts specialist test will be in November. The auto parts test is expected to be ready in November 1993.

The group said the purpose of the program is to improve the sales, promotion and marketing of automotive and truck parts and service. Both tests will cover communication skills, sales skills and vehicle systems knowledge.

Toyota opens parts center in Illinois

Facility a model for future depots

DALE JEWETT
Service Editor

AURORA, Ill. — Toyota Motor Sales U.S.A. Inc. expects its new parts distribution center here to be a model of efficiency for all Toyota parts centers in the future.

The 374,000-square-foot facility, adjacent to Toyota's new regional office, needs just 46 employees to manage the flow of about 1 million parts, an inventory valued at $50 million.

The center expects to fill 1.3 million order lines from 114 Toyota and 20 Lexus dealers in a five-state region by the end of this year. An order line is one line on a dealer's parts order form.

Toyota's goal for the new center is a 97 to 98 percent fill rate for orders. In addition, this fall the center will become the source for seldom-ordered parts for Toyota and Lexus dealers throughout the country.

Late this year, it also will begin filling orders from Toyota Industrial Equipment dealers, who sell forklift trucks and skid steer loaders.

The key to doing so much with so little is computers:

- Bar-code scanners, both stationary and hand held, track inventory from the moment it arrives until it leaves the parts center.
- Parts-picking lift trucks are equipped with radio frequency terminals that instantly broadcast stock information to the center's computer.
- A system for fast-moving parts, designed by Stanley Vidmar, automatically retrieves containers from one of three rotating storage shelves and delivers them to a packing station.

Parts arrive at the center by truck. Each part's bar code is scanned upon arrival, with small parts placed in tote bins and routed by conveyors to the rotating rack for storage.

The three multi-level racks that make up the rotating rack area have 32,278 part storage locations. Each rack is 22 feet high and 100 feet long and can store 800 bins over eight levels.

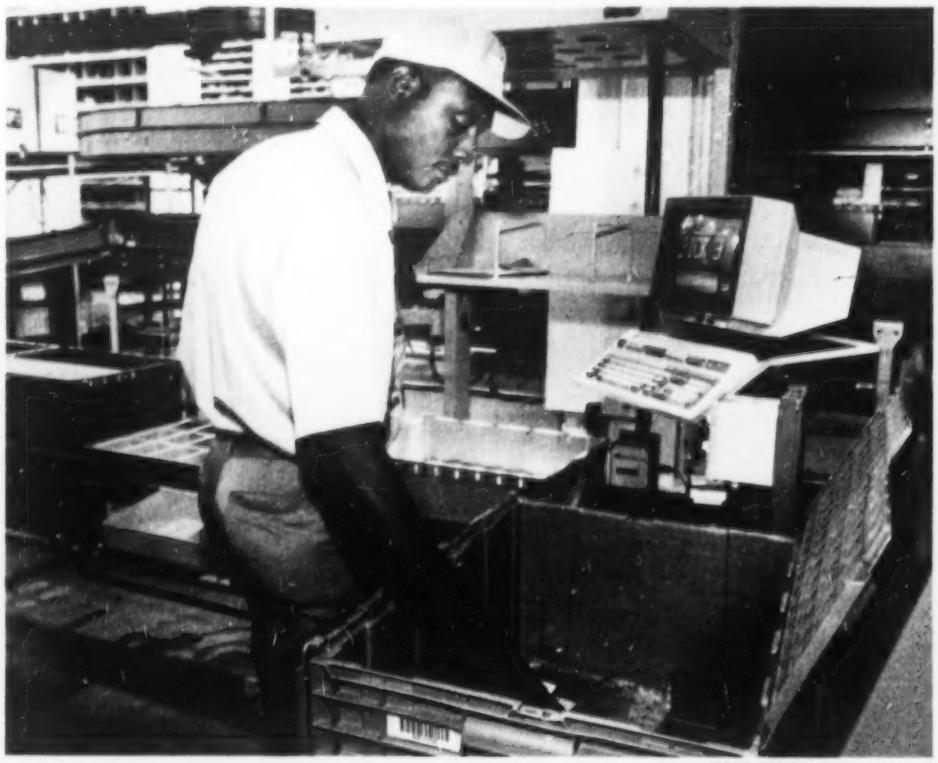
Eight inserters/extractors can handle up to 720 containers per hour, with each container having up to 15 storage compartments.

Containers travel by conveyor to a work station. A light beam shows a worker which compartment to pick from. The worker confirms to a computer the number of parts removed. The tote is then returned to the rack, not necessarily in the location it was pulled from.

Large parts are placed on pallets and moved to storage shelves by forklift trucks. The trucks navigate the 72-inch aisle between storage racks with the help of guide wires buried in the floor.

Toyota had four objectives in designing the parts distribution center, said Richard Gallio, vice president of parts, service and U.S. products:

- Improve accuracy in filling dealer orders.
- Improve operating efficiencies.
- Test new technology.
- Create a safe and pleasant work environment.



JOE WILSSENS/AUTOMOTIVE NEWS

A spotlight shows Toyota parts center workers which container bin to pick parts from. The container is then automatically sent back to one of three rotary storage racks. Each container can hold up to 15 storage bins.

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Service business off in May

DETROIT — Parts and service business at new-car dealerships in May was down from business in May 1991, according to a survey of dealers.

The Automotive News Service Index shows that repairs and parts for the month totaled 97.4 percent of the figures for a year earlier.

But at the same time, parts and service business for the first five months of 1992 showed an increase of 1.8 percent over the same period in 1991.

The largest declines in May were in repair orders written, down 8 percent; total labor sales, off 6.5 percent; and gross profit on all labor and parts and accessories sales, down 3.5 percent.

Slight increases were noted in shop parts sales and sales of all parts and accessories.

For the year to date, shop parts sales rose 4.5 percent, and sales of all parts and accessories were up 4.2 percent. Gross profit on all labor and parts and accessories sales is up 1 percent for the period.

SERVICE INDEX
97.4★

	May, '92 vs. May, '91	Jan.-May, '92 vs. Jan.-May, '91
Gross Profit on All Labor and P&A Sales	– 3.5%	+ 1.0%
Repair Orders Written	– 8.0%	– 1.7%
Total Labor Sales (Customer & Warranty)	– 6.5%	– 1.3%
Shop Parts Sales (Customer & Warranty)	+ 0.2%	+ 4.5%
Sales of All P&A	+ 0.1%	+ 4.2%

★ Survey by Automotive News shows that dealers' service and parts business in May 1992 was 97.4 percent of business in May 1991. Service business in 1992 was 101.8 percent of business in the corresponding period in 1991.

But repair orders written fell 1.7 percent and total labor sales were off 1.3 percent for the year to date.

Some dealers blamed the continuing slump in the showroom for the parts and service decline in May. One dealer attributed a drop in repair orders and hours due to training of new service writers.

Of those dealers reporting an increase for the month, some cited better internal cost controls and an increase in dollar sales per repair order.

Figures used in the Service Index are compiled from a cross-section of new-car dealerships.

Stocked shelves a key to parts sales, study finds

New-car dealerships need well-baited hooks and loads of attractive lures when fishing for sales of optional equipment.

Product availability is the main reason new-car customers buy upgrade options from dealers, according to a market study for the Specialty Equipment Market Association.

Availability was the deciding factor for 50.3 percent of option shoppers — clearly indicating the value of having goodies in stock and ready to install.

That's nearly twice as important to people buying cars from dealers as it is to aftermarket shoppers. Only 25.8 percent of the latter rated availability as important.

That puts the burden on the dealership sales personnel to know as much about options as they to about vehicles.

Product knowledge, at 12.5 percent, ranks high in motivating consumers to purchase add-on equipment from car dealers. Price has less importance to consumers purchasing from car dealers than it does elsewhere.

— *Roger Rowand*

New models key to China's future

RICHARD JOHNSON
Staff Reporter

BEIJING — China's auto industry will reach an important new phase by mid-decade with the addition of the first two models designed specifically for the local market by foreign manufacturers.

Both Shanghai Volkswagen Automotive Co. and Chrysler Corp.'s Beijing Jeep joint venture are preparing new models for China.

Shanghai Volkswagen will develop a mid-sized sedan, and Beijing Jeep is readying an American-designed replacement for the outdated, Russian-design BJ2020 Jeep-like vehicle — a fixture on China's streets and roads.

Shanghai Volkswagen's new car will be produced at its expanded facilities in Shanghai beginning in 1995. The joint venture is owned equally by the German carmaker and Shanghai Automobile Industry Corp., which recently ended production of the 30-year-old Shanghai sedan at an adjacent plant.

Shanghai Volkswagen builds the Santana, the notchback version of the previous-generation Passat, and will continue parallel production after the new model launch.

A new, larger sedan is being designed with VW's Brazilian subsidiary and will be based on the current-generation Passat, which is not built in China. The wheelbase will be extended 3.5 inches, and the car will get an all-new body.

The joint venture plans to produce 90,000 of the new cars a year out of a total planned production of 150,000 after 1995.

Volkswagen hopes to use its China operations as a bridgehead for exports to the Asian market.

"This is the first step to develop a car by ourselves," said Stefan Messman, Shanghai Volkswagen's deputy managing director.

Beijing Jeep also will introduce a new off-road vehicle that will eventually replace the ubiquitous BJ2020, the over-40-year-old vehicle that has both civilian and military applications in China. Beijing Jeep also builds the Cherokee.

The new model, due in about 1995, will be based on the Jeep Wrangler, but it will have an all-new body. Initial design is scheduled to be completed in about nine months by Visioneering Inc., an engineering firm based in Fraser, Mich.

The new model will have four doors, four-wheel drive and easy access to the rear: "a breed in between the Cherokee and 2020," said J.J. Powers of Chrysler Corp.'s International Operations office for China and Southeast Asia.

The existing BJ2020 will be replaced about three years after the new model is introduced.

In a related development, Western executives here say Chinese officials are soliciting proposals for local assembly and importation of minivans and small buses.

"There is a big push in the Chinese market for minivans," said Powers. "They are all looking for minivans. Japanese and American minivans."

Since minivans are not part of China's current auto-industry plan, foreign companies may be reluctant to become ensnared in manufacturing ventures.

"These kinds of vehicles are getting more and more important," said Yang Shi Min, an engineer with China National Automotive Industry Corp. "We need them for the intercity traffic."

The first taker could be Beijing Jeep, which hopes to start assembling the Dodge Caravan in 1993.

"It's kind of behind closed doors, but we definitely want to," said Powers. "We haven't signed an agreement, and it is still in the wishing stage."

But a Beijing Jeep executive sounded more definite. He cited plans to begin assembly of Caravan kits next year, starting with only 500 units in 1993. Depending on market response to the Caravan, he said Beijing Jeep will decide whether to increase production and localize parts.

Beijing Jeep has other plans in the works. The Grand Cherokee was once planned to replace the Cherokee, but now may be built in tandem with the smaller vehicle, said Powers. Beijing Jeep is considered much more likely to begin assembling minivans in China before taking on the Grand Cherokee.

"We don't know if we are going to do the Grand Cherokee," he said. "It is in the product plan, but to look at it, not necessarily to do it."

Hanoi slated as newest host on world auto-show circuit

RICHARD JOHNSON
Staff Reporter

BEIJING — This city might seem like an unlikely locale for an international auto show, but an even more out-of-the-way destination is on the exhibition calendar for next year: Hanoi.

Vietnamese officials made the rounds at this year's Auto China exhibition to drum up interest in their country's first international auto show.

The April 6-10 exhibition would be off-limits to Americans under current U.S. trade law. However, the embargo on trade with Vietnam is expected to be lifted after the U.S. presidential election.

"It will be an excellent opportunity to understand the Vietnamese automotive market," said Hoang Ngoc Ninh, coordinator of industrial affairs in Vietnam's Ministry of Transport and Communications. He addressed industry executives at a reception here.

"It is a very promising market. The number of vehicles for the population is still rather low."

Vietnam imposes a 100 percent tariff on passenger cars and a 50 percent tariff on components.

According to the ministry's figures, Vietnam has only 118,675 motor vehicles on the road. The total includes 60,321 trucks, 11,815 passenger buses and 20,485 cars. The population of Vietnam is about 68.5 million.

Prior to this year, the Vietnamese auto industry consisted of reconditioning factories and a few components makers.

But two joint ventures with foreign manufacturers are being put into operation this year: Mekong Co. and Vietnam Motor Co.

Mekong Co. is a multinational joint venture with two plants.

A plant in Binh Chanh on the outskirts of Ho Chi Minh City, the former Saigon, is assembling four-wheel-drive vehicles from kits imported from South Korea's Ssangyong Motor Co. The venture also assembles special-duty trucks, including trucks over eight tons, construction vehicles, tractors, refrigerated trucks, ambulances and fire engines.

Current capacity is 5,000 vehicles per year, and production is expected to reach 2,000 units this year. Production at the company's two factories is scheduled to reach 10,000 units in 1994.

A second factory, the Co Loa facility in Hanoi, assembles light trucks under five tons and 50-seat buses. Production is due to begin by the end of the year.

The second joint venture, Vietnam Motor Co., is a small-car joint venture with Columbian Motors Corp., which is itself a joint venture company assembling Daihatsu, Mazda and Kia models in the Philippines.

The Hanoi-based company is 51 percent owned by Columbian, said Luong Tat Thang, of the Ministry of Transport and Communications.

Production is scheduled to begin this year and reach 2,000 units a year in 1993.

Nguyen Duc Hiet, a legal specialist with the Ministry of Trade and Tourism, said foreign companies are permitted in Vietnam.

"We are committed to continuing our open policy," he said. "And we are committed to improving our investment environment for foreign companies."

May Mexico sales rise 3.4 percent despite drop by Volkswagen

MEXICO CITY — Despite a big drop by industry leader Volkswagen, Mexico's five carmakers still boosted car and truck sales by 3.4 percent in May.

VW sales were off 20.2 percent, dragged down by a changeover to the new Golf and Jetta. Production of VWs built for the Mexican market dropped 29.9 percent in May, as VW built only 190 Golfs and Jettas. The two new cars went on sale in Mexico last month.

Aside from Ford, every other company posted double-digit gains for the month.

Chrysler, which has had a very strong year, continued on track with a 30.8 percent gain over May 1991. Its Shadow, Spirit and New Yorker models are all well ahead of last year's pace.

Sales of imported cars continued to decline. Mexico's five automakers sold 701 imported models in May, down 13.2 percent. For the year, imports are off 36.7 percent.

The reason: Manufacturers are using their foreign currency to import components instead of vehicles, explains the Mexican automobile dealers association.

Mexican rules require automakers to earn import credits by exporting Mexican-made parts and vehicles.

MEXICO CAR AND TRUCK SALES

	May 1992	May 1991	5 mos. 1992	5 mos. 1991
Cars	7,184	5,491	34,943	23,132
Trucks	4,622	3,511	21,549	19,516
Imports	12	33	330	530
CHRYSLER	**11,818**	**9,035**	**56,822**	**43,178**
Cars	4,915	4,932	25,674	25,091
Trucks	4,532	5,315	24,783	24,564
Imports	0	42	0	1,616
FORD	**9,447**	**10,289**	**50,457**	**51,271**
Cars	4,941	3,252	23,036	16,406
Trucks	6,580	6,312	30,288	28,719
Imports	231	723	1,670	2,439
GM	**11,752**	**10,287**	**54,994**	**47,564**
Cars	8,328	7,830	37,195	35,183
Trucks	3,190	2,946	14,575	14,138
Imports	458	7	1,354	662
NISSAN	**11,976**	**10,783**	**53,124**	**49,983**
Cars	9,743	12,346	62,471	58,865
Trucks	1,099	1,237	5,567	4,604
Imports	0	3	2	56
VOLKSWAGEN	**10,842**	**13,586**	**68,040**	**63,525**
Cars	35,111	33,851	183,319	158,677
Trucks	20,023	19,321	96,762	91,541
Imports	701	808	3,356	5,303
TOTAL BIG 5	**55,835**	**53,980**	**283,437**	**255,521**
OTHER TRUCK MAKERS*	**2,831**	**2,474**	**13,140**	**10,364**
TOTAL INDUSTRY	**58,666**	**56,454**	**296,577**	**265,885**

*Truckmakers Dina, Kenworth, Mexicana de Autobuses, Mercedes-Benz, Victor Patron and Trailers de Monterrey; includes tractor trailers and buses.
Source: Mexican Automotive Industry Association

MEXICO CAR AND TRUCK PRODUCTION

	May 1992	May 1991	5 mos. 1992	5 mos. 1991
Cars for Mexico	7,188	5,412	35,127	23,078
Cars for export	7,835	5,569	35,734	27,485
Trucks for Mexico	4,683	3,388	22,004	19,487
Trucks for export	2,132	636	11,425	2,440
CHRYSLER	**21,838**	**15,005**	**104,290**	**72,490**
Cars for Mexico	4,967	5,228	26,083	25,166
Cars for export	12,663	7,756	55,830	34,509
Trucks for Mexico	4,741	5,362	25,465	24,364
FORD	**22,371**	**18,346**	**107,378**	**84,039**
Cars for Mexico	4,435	3,423	23,681	15,764
Cars for export	6,829	8,505	29,162	30,114
Trucks for Mexico	6,627	6,262	31,395	29,083
GM	**17,891**	**18,190**	**84,238**	**74,961**
Cars for Mexico	8,320	7,888	37,194	35,264
Cars for export	1,680	1,942	7,957	6,911
Trucks for Mexico	3,186	3,112	14,581	14,325
Trucks for export	1,105	713	4,469	2,582
NISSAN	**14,291**	**13,655**	**64,201**	**59,082**
Cars for Mexico	8,495	12,125	59,965	58,384
Cars for export	5,837	4,167	24,912	22,221
Trucks for Mexico	1,112	1,025	6,295	4,635
VOLKSWAGEN	**15,444**	**17,317**	**91,172**	**85,240**
Cars for Mexico	33,405	34,076	182,050	157,656
Cars for export	34,844	27,939	153,595	121,240
Trucks for Mexico	20,349	19,149	99,740	91,894
Trucks for export	3,237	1,349	15,894	5,022
TOTAL BIG 5	**91,835**	**82,513**	**451,279**	**375,812**
Trucks for Mexico	2,668	2,163	12,034	10,562
Trucks for export	0	1	0	2
OTHER TRUCK MAKERS	**2,668**	**2,164**	**12,034**	**10,564**
TOTAL INDUSTRY	**94,503**	**84,677**	**463,313**	**386,376**

*Truckmakers Dina, Kenworth, Mexicana de Autobuses, Mercedes-Benz, Victor Patron and Trailers de Monterrey; includes tractor trailers and buses.
Source: Mexican Automotive Industry Association

Mexico plant to move

JAMES BLEARS
Special Correspondent

MEXICO CITY — Chrysler Corp. plans to close its 54-year-old truck plant near Mexico City and relocate it further away from the polluted urban center.

The plan echoes an announcement by General Motors in March that it would move its truck plant 200 miles from Mexico City rather than spend money for expensive new pollution controls.

The Mexican government has encouraged industries to relocate as a way to curb the city's chronic air pollution problems. On the worst days, plants have been ordered to shut down.

Chrysler spokeswoman Karen Stewart in Detroit said the relocation would allow the company to install new technology and improve efficiency.

Chrysler gave no details on where the new plant will be and when it will be open.

The current plant is in Lago Alberto, a heavily polluted industrial suburb northwest of Mexico City. The plant produced about 62,000 trucks last year, including Ram pickups and Ramcharger sport-utilities for the United States.

Governors rally for ethanol

GWENDOLYN ZONGHETTI
Special Correspondent

General Motors presented the nation's first certified ethanol fueled car last Monday at a State Governors' Ethanol Coalition and National Alternative Fuel Conference in Milwaukee.

The Chevrolet Lumina Variable Fuel Vehicle is the first of a 50-car ethanol fleet to be distributed among Wisconsin, Illinois and the U.S. Department of Energy.

GM, Chrysler Corp. and Ford Motor Co. are developing ethanol-powered cars as part of their efforts to develop vehicles that are powered by alternative energy sources.

Each automaker displayed their alternative fuel vehicles at the conference.

The Senate Finance Committee reported out of committee a bill that would provide tax incentives to buyers of alternative fuel vehicles, as well as tax benefits that apply to the fueling infrastructure.

Linda Stuntz, acting deputy secretary of the Department of Energy, told the conference her department is doing its part by researching and developing new sources and technologies for alternative fuels. Two key factors are to expand the infrastructure for the vehicles and reduce the cost of the fuel.

In prepared remarks, the chairman of the coalition, Nebraska Gov. Ben Nelson, told the conference the 17-state coalition of governors must discuss how to increase long-term ethanol use. "Unless something is done, most of the oxygenates the nation needs to satisfy the Clean Air Act amendments will be in the form of methanol imported from OPEC countries," said Nelson.

Spokesman Larry Hart said the Energy Department will work with state energy agencies to compile a five-year purchasing plan for alternative fuel vehicles.

BMW

Dealer ads to tout local production

continued from PAGE 3

U.S.A. Nissan and Toyota manufacture cars in the United States, but neither builds luxury models here.

Joy, who sells about 15 new cars a month, was planning to move the dealership to a larger site even before the plant announcement. Now he'll need the room, he realizes.

"There will be a lot of hometown loyalty here in Greenville," he says. "Our business has to go up."

He says he's not just talking about plant managers who might be able to afford a BMW. "Greenville is the kind of place where people really get behind something like this and support it," says Joy. "A lot of people here are like me. They want to keep their money in Greenville."

Even Terry Wall, who owns Greenville's Lexus and Infiniti dealerships, thinks people will be buying more BMWs. But he remains upbeat on the BMW invasion. "The overall effect will be good for all lines, from entry level to luxury," says Wall, who himself owns a BMW dealership in Augusta, Ga. "Michelin Tire has its North American headquarters here, but not everybody buys Michelins."

BMW expects to employ about 1,000 people initially, and about 2,000 by the decade's end to build up to 75,000 cars a year. The only other vehicles produced in the state are Mack trucks in Winnsboro.

The nearest BMW competition for Joy's 20-year-old dealership is about 50 miles away across the state line in Fletcher, N.C. Another store is about 100 miles away in Charlotte, N.C.

SURVEY

Saturn, Jaguar join J.D. Power elite list

continued from PAGE 3

Jacobs. "These franchises set up training programs, and performance standards are in place from the word go. They are structured to avoid mistakes."

David Cole, director of the University of Michigan's Office for the Study of Automotive Transportation, said the most significant thing about the survey is the gap between some of the higher scores and mid-range scores is not that wide.

For instance, there were only 11 points between 6th place Toyota at 144 and 11th place Oldsmobile at 133. The industry average was 129.

1992 TOP 10 IN CSI

Lexus LS400	182
Lexus ES250	173
Infiniti Q45	172
Infiniti G20	167
Saturn SL sedan	161
Infiniti M30	159
Acura NSX	157
Saturn SC coupe	151
Mercedes-Benz 190	151
Toyota Cressida	150
Honda Civic*	150
Industry average	**129**

* Does not include CRX
Source: J.D. Power and Associates Customer Satisfaction Index

Ninth place Honda scored 138 and had only a seven-point lead over 16th place Buick.

The narrowing perception gap among consumers have some Japanese manufacturers worried, said Cole. "The one thing the Japanese developed their customer base on is quality," he said.

"If the quality gap closes, maybe customers will look at other factors such as where was (the vehicle) built or corporate citizenship, that is, the role of that company in a societal sense."

1992 LIGHT TRUCK CSI

	1992	1991
Toyota	151	151
Nissan	148	135
Oldsmobile	141	BA*
Mitsubishi	140	133
Mazda	140	138
Ford	131	128
Volkswagen	129	126
Pontiac	128	123
Industry average	**128**	**101**

* Below average
Source: J.D. Power and Associates Customer Satisfaction Index

Jaguar, which has a reputation for being long on style and short on reliability, pushed its way from 25th place to 10th place in the most recent year report.

John Crawford, Jaguar Cars Inc. spokesman, credits the dramatic improvement to the restructuring the company underwent about a year ago.

The changes included training dealers in customer handling and improving the quality and reliability of its cars.

"We are absolutely thrilled" about the survey results, said Crawford.

"When our quality was not so good, the dealers performed well — we had a reputation for good customer satisfaction," he said. "Now, we've improved the quality of the car and are becoming measurably better."

The top individual model CSI scores mirrored those of the top car lines. The Lexus LS400 finished first and the Lexus ES250 placed second. The Infiniti Q45 took third and the Infiniti G20 was fourth. The Saturn SL sedan was fifth.

In the light-truck portion of the survey, Toyota remains in first place, followed by Nissan. Oldsmobile, the highest ranked domestic light-truck line, moved from 13th place last year to third place this year.

Chrysler, second in the light-truck survey last year, was not among this year's top eight.

ANALYSTS' SALES FORECASTS FOR THE 1992 CALENDAR YEAR
(Figures in millions of units)

		Total vehicles	Cars	Trucks*	Imported cars	Imported trucks
George Magliano	original	13.0	8.7	4.3	2.1	0.6
The WEFA Group	**revised**	**13.1**	**8.6**	**4.5**	**2.1**	**0.5**
Jean Claude Gruet	original	13.5	8.8	4.7	2.2	0.6
UBS Securities	**revised**	**13.3**	**8.5**	**4.7**	**2.1**	**0.4**
John Hammond	original	13.5	8.8	4.7	2.2	0.5
J.D. Power	**revised**	**13.0**	**8.5**	**4.5**	**2.0**	**0.4**
Maryann Keller	original	13.3	8.8	4.5	1.9	0.6
Furman Selz Inc.	**revised**	**13.3**	**8.6**	**4.7**	**1.8**	**0.4**
Jack Kirnan	original	13.5	9.0	4.5	2.2	0.3
Salomon Brothers	**revised**	**13.2**	**8.6**	**4.6**	**2.0**	**0.5**
Steve Girsky	original	13.4	8.8	4.6	2.1	0.5
Paine Webber	**revised**	**13.1**	**8.5**	**4.6**	**2.0**	**0.5**
Michael Luckey	original	14.0	9.2	4.8	2.2	0.5
Luckey Consulting Group	**revised**	**13.2**	**8.5**	**4.7**	**2.1**	**0.5**
William Pochiluk	original	13.2	8.8	4.4	2.4	0.6
Autofacts Inc.	**revised**	**13.2**	**8.6**	**4.6**	**2.2**	**0.5**
Ron Glantz	original	13.4	8.7	4.7	2.0	0.5
Dean Witter Reynolds	**revised**	**13.0**	**8.4**	**4.9**	**2.0**	**0.4**
Scott Merlis	original	13.5	9.1	4.4	2.2	0.6
Morgan Stanley	**revised**	**13.5**	**8.9**	**4.6**	**2.1**	**0.5**

*Includes medium- and heavy-duty trucks except for William Pochiluk including only light-duty

New CAW head takes aim at trade pact

Hargrove faults government policy

JEREMY SINEK
Staff Correspondent

BRAMALEA, Ontario — Three days after becoming head of the Canadian Auto Workers, Basil "Buzz" Hargrove challenged his government's policy toward Japanese automakers.

In a speech at the Job No. 1 celebration for Chrysler Corp.'s LH cars, Hargrove protested provisions of the 1989 U.S.-Canada Free Trade Agreement.

He cited rules that require automakers in Canada to have at least 50 percent U.S. or Canadian content in order to ship without duties to the United States. His audience included Canadian political leaders, notably Michael Wilson, federal minister of Industry, Science and Technology.

"It appears the Japanese companies are setting the stage for auto policy in Canada," said Hargrove. He said his government needs to join with the Big 3, the CAW and the UAW in saying that North American content levels have to be "a lot higher" than 50 percent.

"We shouldn't be catering to people who are major players in our market but minor players in our economy," he said. Honda, Toyota and Korean maker Hyundai have non-union assembly plants in Canada.

Hargrove was elected June 27 to succeed Bob White, the CAW's founding president. White is now president of the Canadian Labor Congress. Hargrove, who ran unopposed, has been White's assistant since 1978.

In his acceptance speech, Hargrove warned employers not to expect any change of direction at the CAW: "We are committed to progress for workers at the bargaining table and on the political front, in spite of the difficult times we are in."

FORECAST

Analysts expect sales to rise in '93

continued from PAGE 1

strong this year.

Through June 20, new-vehicle sales were ahead of last year, with truck sales showing the most promise.

Cars were up 0.5 percent, but trucks were 10.8 percent ahead of their 1991 total. Combined car and light-truck sales were up 4.0 percent.

Analysts downgraded their predictions for 1992 because retail sales in the first quarter were weaker than expected, coupled with a reduction in fleet sales.

Michael Luckey, analyst with the Luckey Consulting Group in Westwood, N.J., said customers have deferred purchases and will come back into the market when personal income shows real growth.

Analysts also predict domestic automakers will continue to gain market share because of higher sticker prices on Japanese products and the improved quality of domestic vehicles.

"Pricing is in favor of the domestics," said Jack Kirnan, analyst with Salomon Brothers in New York. "The domestics have a $2,500 price advantage over Japanese vehicles. That pressure will continue unless the Japanese economy improves."

1ST CAR

Early LH build to go mainly to dealers

continued from PAGE 3

LH, an Eagle Vision, Iacocca said Chrysler has made a three-year leapfrog over its competition with the new sedans.

Iacocca's first customer last week was Peter Robertson, mayor of Brampton. Robertson took delivery of a maroon Chrysler Intrepid, which replaces a leased 1991 Buick Roadmaster.

"The Chrysler's a cheaper lease," he said.

In Canada, Chrysler has only two divisions: Chrysler-Plymouth-Dodge and Jeep-Eagle. So the company will badge the LH cars in Canada as the Chrysler Intrepid, Chrysler Concorde and Eagle Vision.

In the United States, the Intrepid will be sold with a Dodge nameplate.

Iacocca said the LH will have an edge over the competition because the Ford Taurus, Honda Accord and Toyota Camry won't be changed significantly until 1995.

"They'll take two or three years to change, and then they'll all be cab-forward. I predict it," he said. "We've got a whole new automobile platform that's cab-forward today and as innovative for us as the K-car and the minivan were."

Iacocca implied that prices will range from $18,000 to $20,000, saying the LH cars will have "very, very affordable prices."

He also discussed changes the company would like to see in customer relations in some dealerships.

"When people come in to spend $20,000 of anything," he said, "they don't want to be hassled and they don't want to feel like they're going to the dentist. They want it to be a nice experience, and we haven't made it that way for many years.

"We expect to be world-class. We expect to be up there with the best of them. If we're in the $18,000 to $20,000 range, we want to ask the buying public, 'Why buy a luxury car like a Lexus or Infiniti at $42,000? What's it got that we don't have?'

"If they say, 'Its quality,' then our quality will have to be at that level.

"The track is fast. Quality improvements are continuing, but we think we have everything in place that will make this car world-class," he said.

Iacocca acknowledged the temptation to accelerate LH production to meet demand, but startup will be slow and driven by a need for quality.

He said the launch of the 1994 Chrysler New Yorker, which will be built off a stretched version of the LH platform, is slated for February 1993.

ROLLOVER

Safety standards due by December

continued from PAGE 1

can Suzuki Motor Co.

Last April, the Ford Bronco II came under fire in a report from the Insurance Institute for Highway Safety. The group said Bronco II death rates were three times those of the Samurai. Ford doesn't make the Bronco II anymore, but the company still faces years of litigation over the issue.

Researchers haven't been able to sort out exactly what roles the vehicle, the driver and the road conditions play in fatal rollovers. So in the absence of sound science, automakers worry that new rules might force them to change the design of their vehicles or, worse, pull models off the market.

"Quick fixes or banning vehicles won't solve the problem," said Dale Dawkins, director of vehicle compliance and safety affairs at Chrysler Corp.

Evidence shows that bad driving contributes to most rollovers. More than 80 percent follow a similar scenario — a vehicle leaves the road and flips over.

Alcohol, young drivers, rural roads and curves contribute to rollover deaths. But bad weather and road surface aren't significant factors.

In addition, most of the occupants killed in rollover crashes aren't wearing seat belts. Two-thirds of them are thrown from the vehicle.

Those findings buttress industry arguments against setting rollover standards or mandating design changes.

A vehicle can get a bad rollover record because of the kinds of drivers who choose that model, rather than the vehicle's design, argues Robert LeFevre, manager of crash avoidance at General Motors. "We cannot ignore the dominant role of driver characteristics in rollover," LeFevre told an SAE meeting in Washington last spring.

So GM, Chrysler and Ford Motor Co. have urged NHTSA not to impose new regulations on auto manufacturers.

Instead, the automakers say, the agency should expand its education and enforcement programs aimed at increasing seat-belt usage and reducing drunk driving. GM has proposed uniform warnings — such as those currently required on sport-utilities — to alert owners to the risks of rollover. NHTSA seems ready to go along with the automakers in keeping consumer options open.

BAN IS UNLIKELY

There is no question that sport-utilities have high rates of rollover fatalities, Felrice said. But because of their relatively small number on the road, sport-utilities account for only about 700 of the 10,000 annual deaths.

"Just tinkering around with utility vehicles will miss the big picture," Felrice said.

So an outright ban on rollover-prone vehicles is unlikely. And almost all interested parties agree that increased emphasis on driver education and safety will help reduce rollovers.

But the agreements end there.

The Big 3 have opposed NHTSA's proposals to make vehicles less likely to roll over — and safer when they do roll over. Chrysler officials have argued that current rules for roof strength and safety belts already help reduce rollover injuries.

The agency also suggested that only vehicles that score poorly on tests be required to add protection for occupants.

But Brian O'Neill, president of the Insurance Institute for Highway Safety, disagreed. O'Neill said that since all models are involved in some rollovers, all should be made safer.

Some of NHTSA's proposed changes would reduce the likelihood of occupants being thrown from the vehicle, the cause of more than half the deaths in rollovers. Those changes include improved safety belts, better glazing to keep windows from shattering and better latches to keep doors from flying open.

ROOF CRUSH DEBATE

Much of the talk about standards focuses on roof crush resistance and interior roof padding.

The roof is the primary source of injury to occupants in a rollover, whether or not they are wearing safety belts, said A.C. Malliaris, a researcher at Data Link Inc. A study by NHTSA engineers in 1989 showed that the more the roof is crushed, the more likely there will be injury.

Automakers argue that current standards for roof crush are adequate. In fact, Chrysler said some roof crush is good because it softens the crash much in same way that front-end crush space softens a frontal collision.

Donald Friedman, a former NHTSA engineer now in the private safety consulting business in California, said occupants are four times more likely to be injured when riding near an area of roof crush. Another study suggested that the current roof crush standard — a roof must hold 1.5 times the weight of the vehicle — should be increased to three to four times the vehicle's weight.

RESTRICT ALTERATIONS

Other areas have been cited as targets for regulation.

The Motor Vehicle Manufacturers Association has suggested restrictions on aftermarket alterations that add to the risk of rollovers.

There is evidence that anti-lock brake systems help prevent rollovers by giving drivers more control in emergency stops. ABS is becoming more popular with consumers, but it won't have a major impact on rollovers for several more years, Felrice said.

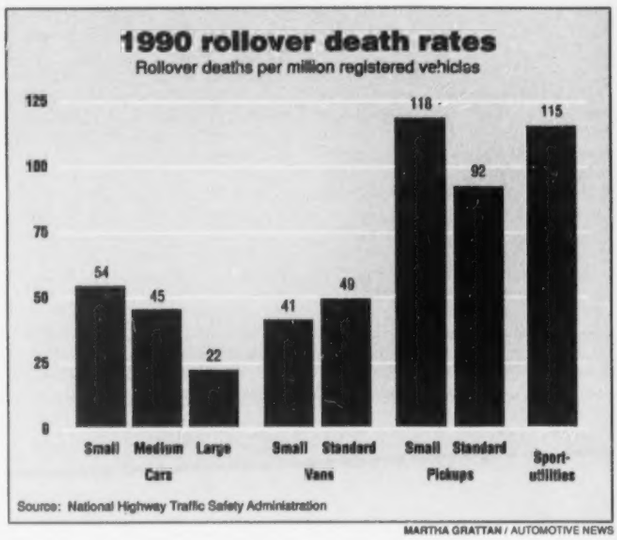
NHTSA also is looking for ways to identify rollover-prone models and perhaps set minimum standards for stability.

But first, the agency needs an acceptable yardstick for stability, and that has proved elusive.

A moving test would be the most accurate for judging a vehicle's stability, but so far no reliable method has been devised.

So NHTSA favors the so-called tilt-table test, in which a vehicle is placed on a platform that is tilted gradually until the wheels on one side are raised. According to the premise of the test, the further the vehicle can tilt before its wheels come off the table, the less likely it is to roll over.

NHTSA found that models that tended to have a high percentage of rollovers in single-vehicle accidents were the models that tended to tip sooner in the tilt-table test. AN



MARTHA GRATTAN / AUTOMOTIVE NEWS

NHTSA dealing with rollovers since '70s

MAX GATES
Staff Reporter

WASHINGTON — Although no federal standards apply specifically to rollover prevention, the government has addressed the issue frequently in the past.

In 1984, the National Highway Traffic Safety Administration required that all multi-purpose vehicles with off-road features carry warnings on a sticker and in the owner's manual. The messages say the vehicles handle and maneuver differently than ordinary passenger cars.

Other action on rollovers includes:

- In 1973, the agency sought comments on possible test standards for rollover resistance. NHTSA concluded that rollover resistance could be measured, but decided not to act until it better understood how real-life factors, such as how the vehicle is operated, contribute to rollovers.
- In 1987, NHTSA denied a request to set minimum standards for rollover resistance. The agency said the measurements weren't reliable in predicting which vehicles would roll in real-life situations.
- In 1988, NHTSA granted a petition from Consumers Union to set a minimum stability standard. NHTSA was conducting research toward that goal when Congress set the current 1993 deadline.
- NHTSA has also investigated possible rollover-related defects in five sport-utilities.

Two petitions, in 1979 and 1981, called for investigations of the Jeep CJ-5. NHTSA found no specific defect that was causing rollovers.

In 1988, NHTSA was asked to investigate rollover rates in the Suzuki Samurai. After a preliminary investigation, NHTSA said fatal rollover rates for Samurais were no higher than for other sport-utilities.

NHTSA noticed during the Suzuki investigation that the Ford Bronco II seemed to have high rollover rates. Agency engineers analyzed the Ford Bronco II in 1989 and later did an extensive data analysis of Jeep CJ accidents. Both probes were later closed. AN

MAZDA

Marketing pitches woo women

continued from PAGE 1

talk to these women, especially affluent professional women. We're not pandering to women with our programs; we're just getting involved in their issues."

One program, Mazda's Golf Clinics for Executive Women, deals with two women's issues. It helps women break into the "old boy" golf network for business, and it benefits breast cancer research.

Mazda ran the first clinic last year at the women's golf tournament it sponsors, the Mazda LPGA championship held annually at the Bethesda Country Club in Bethesda, Md. This year, it will conduct six clinics; at the first two, it raised $40,000 for the Susan G. Komen Breast Cancer Foundation.

MOVING UPSCALE

With the introduction in the past 12 months of the new 929, RX-7, MX-3, MX-6 and 626, Mazda's lineup has moved upscale. Upscale and sporty segments are traditionally viewed as male-dominated, but Mazda identified upscale professional women as a target for the new vehicles, and it appears to be having some success.

The clinics are marketed directly to the target audience. Mazda invites about 300 women to each one, getting their names from the National Association of Women Business Owners. It also advertises the clinics in local newspapers and *Golf for Women* magazine. The clinics include instruction and exhibitions by pros of the Ladies Professional Golf Association.

Laurel Rolls, a 40-year-old accountant from Los Angeles, looked at it more pragmatically. "From a product or marketing perspective, it makes a lot of sense. Most companies are only trying to sell us cheap economy cars or minivans. They don't seem to realize that we're interested in a lot more than that," she said.

Mazda follows up the clinic with a letter from Thompson to each participant along with a survey and a test-drive incentive — a $75 gift certificate for golf merchandise for taking a test drive, $500 if the woman buys a new Mazda. The names also go into a data base and Mazda tracks them against purchases in each market.

FEMALE BUYERS, BY COMPANY

Some companies track their customers by principal driver, some by buyer and some by primary decision maker, so figures may not be precisely comparable.

Company	Percent
Mazda	52.3
Honda/Acura	51.3
Chrysler	50.0
Nissan/Infiniti	49.0
Toyota/Lexus	48.0
General Motors	45.0
Mitsubishi	43.0
Ford	32.0

Source: Companies

Mazda's advertising is aimed about a 50-50 split between men and women, a change from the past. In 1988, said Kim Adams, advertising manager, Mazda had no ads in women's magazines; now it buys a schedule in 12.

At other companies, Nissan and Mitsubishi, for example, the marketing approach is different.

Both those importers say they don't have any programs specifically designed to attract women buyers. Both suggest that instead of trying to target women directly, they simply hope to capture more women by broadening their appeal. In other words, by moving from sports to prime time, they will automatically pick up more women because they are reaching a bigger, more varied audience.

"Our strategy is product-focused. If the product has attributes that will appeal to women buyers, then we'll make sure to mention those attributes," said Jules Clavadetscher, general marketing manager at Nissan Motor Corp. in U.S.A. He doesn't think women want to be hit over the head with a message tailored just to them.

"I don't think we need to send out free lipstick samples to get women into our showrooms."

At Mitsubishi Motor Sales of America Inc., even though the director of advertising is a woman, the approach is closer to Nissan's.

Frances Oda said that when her company wanted to increase sales of the Eclipse, it knew women would be a key target.

"We didn't set out to get more women, but to get more buyers. But we knew that women were an untapped market for the Eclipse," she said. "So, we moved away from the concerted emphasis on performance and more onto value and styling."

Both Clavadetscher and Oda believe that products, more than programs, will bring women into their showrooms. Clavadetscher is counting on the Quest minivan and the new Altima. Oda is betting on the new Galant, due next year.

It is not surprising that at Mazda, Thompson has spearheaded a lot of its efforts toward women. But she is not alone. Of the 14 managers in the marketing division, 7 are women, including the ad manager and head of merchandising and market planning.

"We're not trying to have any certain number of women," Thompson said. "But you can't tell me that a department of all men is going to come up with the same ideas as a group that's half men and half women." AN

Lawmakers tweak trade bill

MAX GATES
Staff Reporter

WASHINGTON — House Democrats were trying to put more teeth into their anti-Japan trade bill last week, circulating an amendment that would cap Japanese-car imports to Japan's current limit of 1.65 million vehicles a year.

The new version, authored by House Majority Leader Rep. Richard Gephardt, D-Mo., specifically exempts Japanese transplants from the limits. A previous proposal, which was dropped from the bill approved in committee two weeks ago, would have held imports and transplant production at current levels for the next seven years.

The bill would force the Japanese to keep their pledges to buy more U.S. autos and auto parts, made during President Bush's trip to Tokyo last January.

A vote by the full House on the trade bill is expected this week.

Meanwhile, Senate Finance Committee Chairman Lloyd Bentsen, D-Texas, has scheduled hearings on a Senate version of the trade bill for late July.

In other issues:

- The House vote on a tariff bill, which includes a reclassification of Japanese multipurpose vehicles, is not expected until late July, after the Democratic National Convention. The reclassification would raise the tariff on imported minivans and four-door sport-utilities from 2.5 percent to 25 percent.
- The House was expected to approve a tax bill that dropped the luxury tax on everything but cars. The 10 percent tax is applied to the price of a new car in excess of $30,000. The House bill would index the tax, raising the $30,000 base to keep pace with inflation.

The Senate Finance Committee approved similar legislation last month. Importers, who have argued the tax cut into sales, have been hoping for total repeal.

Consultants evaluate GM parts divisions

JACK KEEBLER
Staff Reporter

General Motors' Inland Fisher Guide and Delco Remy divisions confirmed last Thursday that they are under scrutiny by independent financial consultants A.T. Kearney.

Patricia Molloy, a spokeswoman for Inland Fisher Guide, said it was not unusual to hire an outside firm to examine GM products, processes and plants.

"They're evaluating us against the competition," said Molloy. "It's a continuous process of benchmarking with the emphasis on evaluating the products we produce like bumpers, seats, body hardware and interiors."

Delco Remy spokesman Keith Pitcher agreed that it was normal operating procedure.

"They're looking at each of our product lines," said Pitcher. "It's a worldwide study that will probably take about six months to be completed.

"But no, it is not at all unusual to call on outsiders. We've had a number of outside consulting firms come in here in the six years I've been here."

The Wall Street Journal reported last week that the Kearney examination was part of the parts-supplier shake-up GM is conducting under the company's worldwide purchasing chief J. Ignacio Lopez.

The newspaper said the study is due to be completed early next year.

Pitcher said he knew of no direct connection between the Kearney review and anything Lopez is doing.

'93 Capri and Festiva get Ford rebates

ARLENA SAWYERS
Staff Reporter

Ford Motor Co. announced a new consumer rebate program that includes payments on more 1993 cars and revisions on 1992 vehicles. The program is effective July 1 through Sept. 23.

The rebates range from $400 to $2,000 on Ford, Lincoln and Mercury cars and $300 to $1,300 on Ford trucks. Some rebates vary by region.

In lieu of rebates, consumers may choose finance rates of 2.9 percent to 7.9 percent.

New to the program are the 1993 Mercury Capri and 1993 Ford Festiva at $500. They join the 1993 Ford Escort and Mercury Tracer.

On 1992 models, Ford increased the Lincoln Mark VII rebate from $1,250 to $2,000. In addition, the rebates on the Ford Thunderbird and Mercury Cougar were bumped from $1,000 to $1,500.

The rebate on F-series pickups was reduced from $400 to $300.

Mercedes-Benz's special "Win-Win" lease program on 1992 cars, which was to expire June 30, was extended. Under the program, for example, the monthly payment for the 300SE is $865.98 for 36 months and the monthly payment for a 500SEL is $1,232.42 for 36 months. The program runs indefinitely.

incentive WATCH

INCENTIVE WATCH— DEALER INCENTIVES

CONTINUING PROGRAMS

AUDI (1991 models, no expiration date)

Audi 100 and 200	$1,500
Audi 90	$1,000

Rebates apply to models purchased by dealer from Audi of America port stocks.

BMW (no expiration date)

750iL (1991)	$10,000

CHEVROLET (1992 models, expires Sept. 23)

Corvette ZR-1 (1992)	$2,000
Other Corvette (1992)	$1,000

LOTUS (1991, no expiration date)

Elan	$5,000
Esprit Turbo	$11,000-15,000

MITSUBISHI (1991-92 models, expires July 6)

Mirage	$500-1,000, quota
Galant	$1,000-1,500, quota
Galant VR-4	$500-3,000, based on number sold
(Galant VR-4 payments are in addition to other Galant rebates.)	
Eclipse	7% of sticker, starts with second sale
Pickup	$1,000-1,500, quota

NISSAN (1992 models, expires July 6)

Stanza	$1,500-2,000
240SX (exclude convertible)	$1,300
Maxima GXE	$1,000
Sentra	$700-1,000
Pickups	$1,000-1,750

PEUGEOT (no expiration date)

405	$5,000
505	$6,000

PORSCHE (1991 models, no expiration date. To qualify for the following rebates, dealers had to buy two cars from port stock by Jan. 17.)

911 Carrera 2, 928	$9,500
911 Carrera 4	$13,500
911 Turbo	$14,000

SUBARU (1992 models, expires Aug. 3)

Loyale	$500
Legacy (invoiced before Feb. 4)	$1,000
Legacy (invoiced after Feb. 4)	$1,500

SUZUKI (expires Aug. 3)

Swift (1992)	$400-700
Sidekick (1992)	$700-1,500
Swift (1991)	$700-1,000
Sidekick (1991)	$500-1,000

VOLKSWAGEN (no expiration date)

Passat (1991)	$1,500
Jetta, Fox, Golf (1991)	$500
All 1990 cars	$500-1,500

TOYOTA (expires Aug. 3)

Tercel (1991-92)	0-$300, quota
Corolla (1992)	$700-$1,500, quota
Pickups	$200-1,400, quota

INCENTIVE WATCH — CUSTOMER INCENTIVES

NEW PROGRAMS

CHRYSLER CORP.
(Expires Aug. 31; 1991-92 models unless otherwise indicated; in lieu of rebates, finance rates of 4.9 to 9.9 percent are offered.)

Chrysler Imperial, New Yorker Fifth Avenue	$1,500
LeBaron coupe, (1991-93)	$1,500
Imperial ('93), Fifth Ave. ('93)	$1,250
New Yorker Salon, LeBaron sedan and conv.	$1,000
N.Y. Salon ('93)	$750
Dodge Daytona ('91)	$1,500
Spirit Dynasty	$1,000
Daytona (1992-93)	$1,000
Dynasty ('93)	$750
Shadow	$700
Colt 3-dr.(excludes Calif. and Hawaii)	$700
Dodge Ramcharger	$2,000
Ram pickup (gas, 1991-93)	$1,500
Ram wagon Van/ conversion (1991-93)	$1,000
Dakota, Ram 50	$500
Eagle Talon (awd)	$1,500
Talon (2wd)	$1,000
Summit 4-dr.	$1,000
Summit 3-dr. (except Calif. and Hawaii)	$700
Summit wagon ('92)	$500
Jeep Cherokee	$1,500
Wrangler, Comanche	$500
Cherokee ('93)	$500
Plymouth Laser (awd)	$1,500
Acclaim, Laser (2wd)	$1,000
Sundance	$700
Colt 3-dr. (except Calif. and Hawaii)	$700
Vista	$500
Minivans	
Short wheelbase	$500
Caravan C/V short and long w.b.	$500
Long wheelbase (Calif. and Hawaii only)	$500

FORD MOTOR CO.

1993 models

Expires Sept. 23. In lieu of rebates, 7.9 percent financing is available.

Ford Festiva	$500
Escort (regional)	0-$400
Mercury Capri	$500
Tracer (regional)	0-$400

1992 models

Expires Sept. 23. In lieu of rebates, financing rates of 2.9 to 7.9 percent are offered.

Ford Probe, Thunderbird	$1,500
Festiva, Taurus SHO	$1,000
Other Taurus (regional)	$750-1,000
Mustang (regional)	$500-1,000
Tempo, Crown Victoria	$500
Escort (regional)	$400-1,000
Ford Econoline RV	$1,300
Bronco	$1,000
Ranger (regional)	$750-1,000
Aerostar (regional)	$500-1,000
F-series	$300
Lincoln Mark VII	$2,000
Town Car, Continental	$1,250
Mercury Cougar	$1,500
Capri (regional)	$1,000-1,500
Sable (regional)	$750-1,500
Tracer (regional)	$400-1,000
Grand Marquis	$750
Topaz	$500
Crown Victoria; Grand Marquis for owners of Ford Motor Co. products)	$1,000

GENERAL MOTORS

1992 models

Expires Sept. 23 unless otherwise noted. In lieu of rebates, finance rates of 2.9 to 6.9 percent are offered. Some rebates vary by regions.

Buick Century, LeSabre	$250-1,000
Skylark	$500-1,250
Regal	$750-1,500
Roadmaster, Park Avenue	$1,000
Riviera	$2,000

Rebates based on option package ordered.

Cadillac (expires June 30) DeVille, Brougham	$1,500
Chevrolet Geo Metro (manual), Camaro, Corsica, Beretta, Caprice	$500
Geo Metro (automatic)	$700
Cavalier	$750
Metro conv.	$1,000
Geo Storm, Geo Prizm, Lumina	$1,500
C/K pickups (until June 30)	$400
C/K pickups (after July 1)	$300
Astro, G-Van	$500
Geo Tracker (2wd), S/T pickup, Lumina APV	$750
Geo Tracker (4wd)	$1,000
G-Van Upfit	$1,300
S/T Blazer	$2,000
GMC Sierra (expires June 30)	$400
G-Van, Safari	$500
Sonoma	$750
Jimmy (exclude Typhoon)	$2,000
Oldsmobile Silhouette, Eighty Eight	$500-1,000
Cutlass Supreme	$500-1,250
Custom Cruiser, Bravada	$500-2,000
Toronado	$500-2,500
Achieva	$750
Cutlass Ciera	$1,000
Ninety Eight	$1,500
Some rebates vary by regions	
Pontiac Sunbird, Grand Am	$500
Grand Prix	$500-750
Bonneville, Firebird, Trans Sport	$750

Rebates vary by geographical areas.

1991 models

Chevrolet Geo Storm (expires Sept. 23)	$750

HYUNDAI (expires July 6)

Excel (1991)	$1,200
Excel (1992)	$500
Elantra (1992)	$1,000
Scoupe (1991)	$1,000
Scoupe (1992)	$750
Sonata (1991)	$2,000
Sonata (1992)	$1,500

MAZDA (1992 models, expires July 6)

Protege, MX-6	$1,400
626	$1,200
Navajo	$500-1,500
Pickups	$500-1,400

Navajo and pickup rebates vary by model and region.

SUBARU (1992 models, expires Aug. 3)

Loyale (fwd sedans)	$500
Loyale (awd wagons)	$500

Mazda names new sales president

LOS ANGELES — After overseeing the launch of eight all-new products as president of Mazda Motor of America Inc., Yoshinori Taura, 53, has returned to Japan to become assistant to the senior managing director in charge of all foreign sales and marketing.

The new president of the U.S. sales arm is Toshio Wakiya. The 51-year-old Wakiya is familiar to the staff at Mazda's Irvine, Calif., headquarters, where he was senior vice president and deputy general manager from 1988 to 1990. Most recently, Wakiya was general manager of Mazda Motor Corp.'s North American sales and marketing division.

Taura: back to Japan

Taura was the first president of Mazda's consolidated U.S. operations, which were formed by the merger of eastern and western distributorships in 1988. He first worked in the United States on the task force that prepared Mazda to enter the market in 1970. He has also worked for Mazda in Europe and Japan.

Under Taura, Mazda has introduced the MPV, Miata, Navajo, MX-3 and new editions of the MX-6, 626, 929 and RX-7.

— Kristine Stiven Breese

Fiat anticipates profit for '92

LUCA CIFERRI
Staff Correspondent

TURIN, Italy — Fiat Group, the parent of Fiat Auto S.p.A., said last week that it expects to remain profitable this year with the boost of an 860 billion lira (about $705 million) capital gain from the sale of its remaining telecommunications units.

Although the special gain will enable the company to close 1992 with an operating profit, net income will still be below the $714 million earned in 1991, Chairman Giovanni Agnelli told shareholders at the annual meeting.

While sales this year are expected to rise slightly from 1991, to about $50 billion, the company is getting less return from every sale. According to officials, the company's first-half profit margin slid to 0.5 percent from 1.5 percent last year and net debt — which stood at $221 million at the end of 1991 — is rising.

Despite the razor-thin profits, Agnelli confirmed the group will invest some $39.1 billion in capital projects in the next five years, including $25 billion for autos.

SCHEDULED PLANT CLOSINGS

Plant	Weeks down	Units lost/ week
CHRYSLER		
Sterling Heights, Mich.	7/6, 7/13	*
Dodge Daytona		
Dodge Shadow		
Chrylser LeBaron J		
FORD		
Edison, N.J.		**
Ford Ranger		
Twin Cities (St. Paul, Minn.)		**
Ford F-series		
Ford Ranger		
Atlanta	7/6	***
Chicago	7/6	***
Dearborn, Mich.	7/6	***
Kansas City, Mo.	7/6	***
Lorain, Ohio	7/6	***
Louisville, Ky.	7/6	***
Michigan Truck (Wayne, Mich.)	7/6	***
Norfolk, Va.	7/6	***
St. Louis	7/6	***
Wayne, Mich.	7/6	***
Wixom, Mich.	7/6	***
Oakville, Ont.	7/6, 7/13	***
GENERAL MOTORS		
Lordstown, Ohio	7/6	
Chevrolet Cavalier		4,700
Pontiac Sunbird		1,800
SUBARU-ISUZU		
Layfayette, Ind.	7/6	
Subaru Legacy		1,100
Isuzu pickup		500
Isuzu Rodeo		900
Total U.S. car		9,000
Total units lost week of 7/6		9,000

*Model changeover
**Plant closed until September for model changeover
***Vacation
Source: Automotive News Data Center

Saab exec to run Opel

David Herman, president and chief executive officer of Saab Automobile AB, was expected to be named Friday as chairman and managing director of General Motors' Adam Opel AG subsidiary in Germany.

Opel's Supervisory Board was scheduled to meet to confirm Herman's appointment, according to sources in the United States and Europe. Herman, who is 46, will assume his new post on Aug. 1.

Herman: takes over Aug. 1

Opel, GM's biggest subsidiary in Europe, is headquartered in Russelsheim, a suburb of Frankfurt.

Herman replaces Louis Hughes, who was named group executive and president of GM Europe earlier this year. A replacement for Herman will be named "in the next several weeks," a source said.

Herman, who received a law degree from Harvard Law School in 1971, joined GM in 1973 as an attorney with the legal staff in New York.

He was named to his present post in January 1990. Saab Automobile AB is a 50-50 joint venture between GM and Sweden's Saab-Scania AB.

Under Herman, Saab has shut an assembly plant and shed more than 7,000 jobs in an effort to stanch a flood of red ink. The venture now employs about 8,000 workers.

The company reported in May that its first-quarter loss narrowed to $49.5 million from $160.7 million a year earlier.

— Phil Frame

U.S. AND CANADA CAR AND TRUCK PRODUCTION

Vehicles are assembled in the United States unless noted. Vehicles are cars unless noted.

	Est. 6/29-7/4/92	Actual 6/22-6/27/92	June Est.	Year 1/1-7/4/92	Year 1/1-7/6/91
Concorde (Can.)	0	0	0	0	0
LeBaron J	1,200	1,533	6,571	30,866	18,697
New Yorker	400	467	1,790	9,061	4,417
Fifth Avenue	1,080	1,213	5,466	20,499	19,011
Imperial	16	112	413	2,707	4,234
Town & Country (trk.)	460	569	1,883	8,275	1,773
Total Chrysler Div.	**3,156**	**3,894**	**16,123**	**71,408**	**48,132**
Sundance	1,200	1,353	6,601	31,550	24,622
Acclaim	1,200	1,595	7,051	40,256	46,212
Voyager (trk.)	1,460	2,271	10,035	50,703	50,206
Voyager (Can. trk.)	1,838	3,630	11,762	69,282	57,444
Total Plymouth	**5,698**	**8,849**	**35,449**	**191,791**	**178,484**
Intrepid (Can.)	0	0	0	0	0
Daytona	0	348	1,531	6,874	4,936
Shadow	2,100	2,643	12,021	52,475	29,575
Dynasty	1,720	2,316	10,561	45,176	63,978
Spirit	1,300	1,831	7,682	38,968	41,448
Viper	8	7	29	65	0
Monaco (Can.)	0	0	0	0	5,526
Caravan (trk.)	2,000	3,081	13,101	66,177	57,227
Caravan (Can. trk.)	2,148	5,003	15,843	92,096	76,636
Caravan C/V (trk.)	24	89	549	1,853	2,109
Caravan C/V (Can. trk.)	57	246	742	4,452	11,834
Dakota (trk.)	2,700	3,621	16,231	74,145	42,341
Ram pickup (trk.)	920	1,172	5,356	31,814	42,396
Ram wagon (Can. trk.)	300	703	2,217	12,846	12,241
Ram van (Can. trk.)	1,269	2,423	7,879	36,338	22,079
Total Dodge	**14,546**	**23,483**	**93,741**	**463,299**	**412,326**
Vision (Can.)	75	0	30	75	0
Premier (Can.)	0	0	0	0	5,544
Cherokee (trk.)	0	0	7,013	66,961	70,025
Comanche (trk.)	0	0	0	915	2,848
Grand Cherokee (trk.)*	1,280	2,595	9,793	34,473	1,560
Briarwood (trk.)	0	0	0	325	1,489
Wrangler (Can trk.)	0	0	0	29,026	31,130
Total Jeep-Eagle	**1,355**	**2,595**	**16,836**	**131,775**	**112,596**
Total U.S. car	**10,224**	**13,418**	**50,717**	**278,517**	**257,130**
Total Can. car	**75**	**0**	**30**	**75**	**11,870**
Total U.S. truck	**8,844**	**13,398**	**63,961**	**335,641**	**271,974**
Total Can. truck	**5,612**	**12,005**	**38,443**	**244,840**	**211,364**
CHRYSLER CORP.	**24,755**	**39,821**	**162,150**	**858,273**	**751,538**
Escort	0	0	17,305	91,821	101,375
Mustang	0	2,820	11,193	50,762	42,542
Tempo	0	2,816	11,634	69,766	56,929
Tempo (Can.)	2,700	3,319	14,564	68,397	60,003
Taurus	0	9,728	38,674	201,971	173,772
Thunderbird	0	2,527	9,933	45,938	40,373
Crown Victoria (Can.)	2,554	3,077	12,440	58,359	45,369
Aerostar (trk.)	0	4,077	16,702	94,833	82,391
Bronco (trk.)	0	713	2,164	11,982	7,133
Explorer (trk.)	0	6,206	25,779	159,586	139,883
Mazda Navajo (trk.)	0	133	587	2,982	5,871
Econoline (trk.)	0	4,489	17,907	100,792	69,083
Heavy (trk.)	0	956	3,815	23,431	18,234
Light truck (trk.)	0	9,808	38,952	231,851	148,360
Light truck (Can. trk.)	2,448	3,080	13,255	76,312	51,760
Ranger (trk.)	0	1,640	20,689	150,388	130,994
Total Ford Division	**7,702**	**50,388**	**255,593**	**1,438,171**	**1,174,872**
Topaz	0	1,505	5,961	30,959	25,067
Topaz (Can.)	1,140	1,418	6,220	27,235	19,184
Cougar	0	1,096	4,408	30,212	29,666
Sable	0	3,411	13,671	66,882	56,265
Grand Marquis (Can.)	2,250	2,779	11,319	54,952	46,366
Mercury Villager (trk.)	0	348	1,202	2,248	0
Nissan Quest (trk.)	0	232	785	1,272	0
Total Mercury	**3,390**	**10,789**	**43,566**	**213,760**	**176,548**
Continental	0	849	3,374	19,922	29,153
Mark VII	0	0	0	2,375	5,099
Town Car	0	2,541	10,143	59,688	68,603
Total Lincoln	**0**	**3,390**	**13,517**	**81,985**	**102,855**
Total L-M Division	3,390	14,179	57,083	295,745	279,403
Total U.S. car	**0**	**27,293**	**126,296**	**678,296**	**528,844**
Total Can. car	**8,644**	**10,593**	**44,543**	**208,943**	**170,922**
Total U.S. truck	**0**	**28,602**	**128,562**	**775,365**	**601,949**
Total Can. truck	**2,448**	**3,080**	**13,255**	**76,312**	**51,760**
FORD MOTOR CO.	**11,092**	**69,568**	**312,676**	**1,734,916**	**1,453,475**
Skylark	1,036	1,935	6,551	32,850	27,510
Century	1,788	2,193	10,531	46,339	47,439
Regal (Can.)	2,400	3,052	13,217	54,699	64,952
Riviera	219	290	1,254	6,672	13,409
Park Avenue	1,217	778	3,558	31,973	59,724
LeSabre	3,366	4,275	18,303	85,766	25,724
Roadmaster sudan	634	933	3,451	23,047	11,738
Roadmaster wagon	180	204	884	6,340	15,928
Reatta	0	0	0	0	1,206
Total Buick	**10,829**	**13,660**	**57,749**	**287,686**	**267,630**
Eldorado	491	612	2,716	20,343	6,395
Seville	1,093	1,374	6,037	29,026	13,909
Brougham	0	0	0	2,170	10,319
DeVille	1,427	3,863	11,696	64,066	75,449
Allante	51	64	276	971	1,625
Total Cadillac	**3,062**	**5,913**	**20,726**	**116,576**	**107,897**
Cavalier	0	4,872	20,430	118,258	141,323
Camaro	1,288	1,777	7,998	37,285	26,531
Corsica-Beretta	3,720	4,073	19,150	107,787	140,581
Lumina (Can.)	5,000	6,332	27,193	129,135	118,624
Caprice	2,968	5,006	16,835	64,362	75,720
Corvette	377	575	2,569	11,699	12,285
Astro (trk.)	2,445	3,071	12,607	80,119	49,605
Blazer (trk.)	581	725	2,678	12,707	4,368
Lumina APV (trk.)	967	879	4,917	24,737	22,009
Mediums (trk.)	168	200	776	3,589	244
P-model (trk.)	476	627	2,780	13,109	9,965
Pickup (trk.)	5,089	5,146	25,631	142,158	151,506
Pickup (Can. trk.)	3,200	3,908	17,291	101,369	72,481
S10 (trk.)	3,791	3,631	16,340	97,711	135,895
S10 Blazer (trk.)	1,906	2,989	11,942	69,941	13,548
Sportsvan (trk.)	0	0	0	11,405	22,408
Sportsvan (Can. trk.)	1,600	2,033	8,687	41,833	27,839
Suburban (trk.)	1,344	1,689	6,728	27,858	14,778
Total Chevrolet	**34,928**	**47,533**	**205,162**	**1,094,062**	**1,039,710**
Achieva/Calais	2,178	2,980	12,526	66,244	34,616
Cutlass Ciera	2,337	2,812	13,519	70,691	41,997
Cutlass Ciera (Can.)	0	0	0	0	37,604
Cutlass Supreme	1,920	2,384	10,362	46,044	57,537
Toronado	84	91	419	3,278	2,778
Eighty Eight	1,170	957	4,234	38,448	35,133
Custom Cruiser wag.	0	0	122	1,927	5,316
Ninety Eight	309	826	2,544	17,525	41,502
Silhouette (trk.)	205	187	1,052	8,399	11,696
Bravada (trk.)	58	132	492	6,939	9,043
Total Oldsmobile	**8,281**	**10,369**	**45,269**	**258,495**	**277,222**
Sunbird	0	1,846	8,018	49,098	65,555
Grand Am	4,544	5,048	24,960	132,010	87,061
Firebird	456	508	2,284	13,213	8,926
Grand Prix	2,032	2,523	11,446	59,555	55,093
Pontiac 6000	0	0	0	0	19,603
Bonneville	2,131	1,311	6,199	52,132	25,448
Trans Sport (trk.)	1,096	1,006	5,599	21,745	14,384
Total Pontiac	**10,259**	**12,242**	**58,507**	**327,753**	**276,070**
Yukon-Jimmy (trk.)	105	223	616	3,759	1,065
Medium (trk.)	280	353	1,101	11,559	234
P-model (trk.)	74	59	233	1,316	1,517
Pickup (trk.)	1,814	2,476	10,126	55,626	67,727
Pickup (Can. trk.)	1,100	1,483	6,302	36,923	28,459
Syclone-Sonoma (trk.)	798	1,048	4,435	25,700	32,001
Typhoon-S15 Jimmy (trk.)	548	1,008	3,664	21,925	5,540
Safari (trk.)	852	1,419	5,544	33,446	21,460
Suburban (trk.)	662	800	3,462	17,029	12,581
Vandura (trk.)	0	0	0	5,803	10,678
Vandura (Can. trk.)	560	675	2,927	18,380	12,364
Total GMC	**6,793**	**9,544**	**38,409**	**231,466**	**193,826**
Total Saturn*	**3,496**	**4,370**	**10,878**	**101,860**	**49,780**
Total U.S. car	**40,492**	**58,480**	**247,700**	**1,340,988**	**1,228,140**
Total Can. car	**7,400**	**9,384**	**40,410**	**183,634**	**221,180**
Total U.S. truck	**23,258**	**27,868**	**121,324**	**695,580**	**612,252**
Total Can. truck	**6,460**	**8,899**	**35,207**	**198,585**	**141,143**
GENERAL MOTORS	**77,611**	**103,631**	**444,700**	**2,418,987**	**2,202,715**
Can. car	1,840	2,389	10,060	58,042	64,724
Can. trk.	1,120	1,443	6,180	35,806	28,844
CAMI†	**2,960**	**3,832**	**16,240**	**93,848**	**93,568**
DIAMOND-STAR†	**585**	**0**	**9,319**	**76,827**	**80,193**
Civic	0	2,180	8,655	49,168	46,573
Civic (Can.)	0	2,093	8,646	55,920	54,845
Accord	0	7,680	30,743	195,068	181,152
Total U.S. car	**0**	**9,860**	**39,398**	**244,236**	**227,725**
Total Can. car	**0**	**2,093**	**8,646**	**55,920**	**54,845**
HONDA	**0**	**11,953**	**48,044**	**300,156**	**282,570**
HYUNDAI Sonata (Can.)	**20**	**20**	**921**	**6,755**	**16,048**
MAZDA†	**3,200**	**0**	**12,151**	**45,543**	**79,317**
U.S. trk.	1,258	1,530	6,679	34,935	38,560
Can. trk.	180	222	947	4,591	3,786
NAVISTAR	**1,438**	**1,752**	**7,626**	**39,526**	**42,346**
Sentra	0	0	7,471	63,279	72,649
Pickup (trk.)	0	0	7,926	65,703	71,478
NISSAN	**0**	**0**	**15,397**	**128,982**	**144,127**
Geo Prizm	1,294	1,526	6,848	45,528	51,034
Toyota Corolla	2,016	2,460	10,835	61,523	55,569
Toyota Pickup (trk.)	1,440	1,757	7,461	29,059	0
NUMMI	**4,756**	**5,743**	**25,144**	**136,110**	**106,603**
Legacy	1,097	1,179	5,202	30,829	29,607
Pickup (trk.)	472	495	2,248	12,116	0
Rodeo (trk.)	878	1,016	4,268	21,822	0
Total U.S. car	**1,097**	**1,179**	**5,202**	**30,829**	**29,607**
Total U.S. trk.	**1,350**	**1,511**	**6,516**	**33,938**	**28,704**
SUBARU-ISUZU	**2,447**	**2,690**	**11,718**	**64,767**	**58,311**
Camry	0	4,910	22,067	121,724	111,538
Corolla (Can.)	1,120	1,483	6,443	38,411	35,398
TOYOTA	**1,120**	**6,393**	**28,510**	**160,135**	**146,936**
VOLVO 740,940 (Can.)	**120**	**150**	**646**	**3,631**	**4,665**
AM GENERAL (trk.)	**300**	**375**	**1,629**	**9,669**	**10,530**
MISCELLANEOUS (trk.)**	**1,920**	**2,400**	**10,368**	**61,440**	**69,250**
Total U.S. car	**50,906**	**119,126**	**547,063**	**2,979,690**	**2,821,746**
Total Canada car	**19,219**	**26,112**	**111,389**	**555,611**	**578,793**
Total U.S.-Canada Car	**70,127**	**145,238**	**658,452**	**3,534,701**	**3,400,539**
Total U.S. truck	**30,371**	**77,241**	**354,436**	**2,045,281**	**1,702,897**
Total Canada truck	**15,829**	**24,849**	**94,832**	**609,254**	**436,897**
Total U.S.-Canada truck	**54,191**	**102,090**	**448,468**	**2,654,515**	**2,139,594**
TOTAL U.S.	**97,279**	**196,367**	**901,500**	**5,024,351**	**4,524,443**
TOTAL CANADA	**35,039**	**50,961**	**206,631**	**1,114,865**	**1,015,690**
TOTAL U.S.-CANADA CAR & TRUCK	**132,318**	**247,328**	**1,107,130**	**6,139,216**	**5,540,133**

*Estimate
**1991 figures reflect Grand Wagoneer production.
†CAMI includes Geo Metro and Suzuki Swift cars and Geo Tracker and Suzuki Sidekick trucks; Diamond-Star includes Eagle Summit and Talon, Mitsubishi Eclipse and Mirage and Plymouth Laser; Mazda includes MX-6, 626 and Ford Probe.
**Estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz.
Source: Automotive News Data Center.

Double holiday cuts build

GWENDOLYN ZONGHETTI
Special Correspondent

With two holidays and several plants down for vacation or model change, car and truck production in the United States and Canada fell 46.5 percent last week.

All U.S. plants were closed last Friday for Independence Day, and Canadian plants were closed Friday and today in observance of Canada Day.

U.S. automakers' estimated car production last week was 58,908, a decline of 50.5 percent from the prior week, but up 12.2 percent over the 1991 holiday week.

Year-to-date U.S. car production is 2,979,090, up 5.6 percent over 1991.

In Canada, car production was estimated at 19,219, down 26.4 percent from the prior week, but up 48.7 percent from last year.

Canadian carmakers have assembled 555,611 units, down 4.0 percent from last year.

Last week, truck production in the United States was scheduled at 38,371, a 50.3 percent drop from the prior week, but an 11.2 percent hike above the year-ago week.

Truck producers in the United States have assembled 2,045,261 vehicles this year, up 20.1 percent over 1991 at this point.

In Canada, last week's estimated truck production was 15,820, a decline of 36.3 percent from the prior week but an increase of 10.9 percent over last year.

Year-to-date Canadian truck production is 559,254, up 28.0 percent over the same point in 1991.

Last week's estimated daily build rate of cars and trucks in the United States and Canada was 33,080, down 33.1 percent from the prior week but up 15.9 percent over the year-ago week.

Chevrolet built its one-millionth Corvette last Thursday at the Bowling Green, Ky., plant. Chevrolet said the milestone car was assembled three weeks earlier than expected because of a surge in Corvette sales.

General Motors slated daily overtime last week at its Janesville, Wis. and Moraine, Ohio, plants. Both plants work a four-day week and scheduled overtime Thursday because of the holiday.

GM's Lordstown, Ohio, plant is closed this week for conversion of the body shop.

Chrysler's Bramalea, Ontario, plant began production of the new LH sedans. An estimated 75 Eagle Visions were scheduled for assembly last week.

Three Honda plants were on vacation last week. They are Marysville, Ohio; East Liberty, Ohio; and Alliston, Ontario. Production resumes today.

Mazda's Flat Rock, Mich., plant resumed production last week after a one-week vacation.

The Subaru-Isuzu Automotive plant in Lafayette, Ind., is down this week for plant maintenance.

All of Ford Motor Co. U.S. assembly plants are in the second week of a two-week vacation. Production is scheduled to resume July 13.